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EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POUCT

July 12, 2000

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES

FROM~

Kenneth W. Oscar ^{4~} (~6~'L
Deputy Administrator (Acting)

SUBJECT:

Greening the Government Executive Orders Implemented in the Federal
Acquisition Regulation (FAR)

This memo is to inform you of recent amendments to the FAR. The rules were promulgated in accordance with the President's Greening the Government initiatives. I would like to remind you of your responsibility to promote the purchase of energy efficient, recycled, and environmentally preferable products and services, and ask that you support your agency's efforts to award Energy Savings Performance Contracts (ESPCs). I would also like each of you to issue a memo to your procurement staff conveying the importance of the new rules.

On June 6, 2000, the final rule to implement Executive Order 13101, Greening the Government Through Recycling, Waste Prevention and Acquisition, was published in the *Federal Register* (65 FR 36016). On May 10, 2000, a proposed rule amending the FAR was published in the *Federal Register* (65 FR 30310) to comply with Executive Order 13123, Greening the Government Through Efficient Energy Management, which the President signed on June 3, 1999.

These Executive Orders are part of a series signed by President Clinton to demonstrate federal leadership and move the government in a greener direction. They are designed to expand and strengthen the Federal Government's commitment to protect the ozone layer and reduce global warming; increase recycling and waste prevention; and ensure a legacy of a better and cleaner environment for future generations. They also purposefully include a significant role for the procurement and acquisition community. The President wants to continue reinvigorating the Government's environmental and energy policies and empower the Federal workforce to be architects of a greener environment while exercising fiscal responsibility and meeting mission needs.

- Executive Order 13101 expands, strengthens, and promotes the Federal Government's commitment to recycling, waste prevention and the acquisition of recycled content items, and environmentally preferable products, including biobased. Another key component of the

Executive Order directs EPA to monitor compliance with the buy-recycled requirement when it conducts compliance audits of Federal facilities.

The FAR rules implementing Executive Order 13101 require agencies to demonstrate compliance within their contracts by requiring the procurement and use of recycled products designated by EPA and the consideration of environmentally preferable products. The final rule ensures that the procurement requirements of the Resource Conservation and Recovery Act (42 U.S.C. 6962) and Executive Order 13101 apply to purchases at or below the micro-purchase threshold. The rule requires that contracts for contractor operation of a Government-owned or -leased facility and contracts for support services at a Government-owned or -operated facility also include provisions that obligate the contractor to comply with the requirements of the Executive Order.

Executive Order 13123 promotes energy efficiency and water conservation, the use of renewable energy products, and markets for emerging technologies. It establishes goals for energy reduction in federal facilities of 30 percent by 2005 and 35 percent by 2010, and promotes increased use of renewable energy technologies, including the installation of 20,000 solar energy systems at federal facilities by 2010. It also contains provisions to increase the use of ESPCs and **ENERGY STAR** and energy-efficient product purchasing.

The proposed FAR rule identifies new criteria and provisions that impact procurement activities. For example, consideration must be given to energy and water efficiency, including the use of renewable energy resources. When acquiring energy using products, federal agencies must acquire **ENERGY STAR** products or products in the top 25% of energy efficiency as designated by the Department of Energy's Federal Energy Management Program (FEMP), when it is life-cycle cost effective. The proposed rule also covers ESPC, which enables federal agencies to install energy efficient technologies and capital assets for energy efficiency in federal facilities without up-front government investment, and allows contractors to recoup costs by sharing in the government's utility cost savings.

Support and assistance from procurement personnel and contracting officers are critical for the successful implementation of these Orders. Information about programs established to assist in the implementation of the President's Greening the Government initiatives is available from the Department of Energy's FEMP. I encourage you to visit FEMP's web site (www.eren.doe.gov/femp) and the web site of the Federal Environmental Executive (www.ofee.gov) to learn more about how green initiatives and innovative tools can help your agency protect the environment and save taxpayer dollars, yet still meet the mission of your agency. I also encourage you to review the current FAR changes.

In the memo that you issue to your procurement staff; please be sure to highlight the availability of many recycled content and environmentally preferable products from the Javits-Wagner-O'Day (JWOD) Program (www.iwod.gov). As you are aware, the IWOD Program is an important Federal resource that generates employment and training for people who are blind or have other significant disabilities.

OMB and especially OFPP encourage all agencies to make use of the tools and resources available to decrease their energy consumption and achieve the goals of all the Greening the Government Executive Orders. All agencies have designated senior officials and interdisciplinary teams to implement the

Executive Orders, which should include procurement representatives. I hope you will support your agency's efforts and provide the procurement assistance needed to ensure effective implementation. The Administration believes that procurement and acquisition can play a critical role by supporting and assuming leadership for buy green initiatives.